MINISTRY OF JUSTICE

CRIMINAL PROPERTY FORFEITURE FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2016

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Criminal Property Forfeiture Fund, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Criminal Property Forfeiture Fund as at March 31, 2016, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
July 22, 2016

Judy Ferguson, FCPA, FCA
Provincial Auditor

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MINISTRY OF JUSTICE
CRIMINAL PROPERTY FORFEITURE FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2016	2015
Financial assets		
Due from General Revenue Fund (Note 3)	$ 1,616,169	$ 2,327,236
Accounts receivable (Note 4)	477,760	98,663
	2,093,929	2,425,899
Financial liabilities		
Accounts payable	119,506	3,629
Net financial assets (Statement 3)	1,974,423	2,422,270
Accumulated surplus (Statement 2)	$ 1,974,423	$ 2,422,270

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE
CRIMINAL PROPERTY FORFEITURE FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31

	Budget (Note 7)	2016	2015
Revenues			
Forfeitures	$ 377,003	$ 1,015,718	$ 1,043,352
Interest	4,756	15,461	17,148
Total revenue	381,759	1,031,179	1,060,500
Expenses			
Grants	40,000	1,462,008	-
Insurance premiums	-	-	3,870
Professional Fees	51,210	13,473	66,317
Refund of awarded costs	287	-	-
Towing and storage	2,214	3,545	7,456
Utilities	-	-	825
Total expenses	93,711	1,479,026	78,468
Surplus for the year (Statement 3)	288,048	(447,847)	982,032
Accumulated surplus, beginning of year	349,589	2,422,270	1,440,238
Accumulated surplus, end of year (Statement 1)	$ 637,637	$ 1,974,423	$ 2,422,270

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE
CRIMINAL PROPERTY FORFEITURE FUND
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31

	2016	2015
Surplus for the year (Statement 2)	$ (447,847)	$ 982,032
Net financial assets, beginning of year	2,422,270	1,440,238
Net financial assets, end of year (Statement 1)	$ 1,974,423	$ 2,422,270

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE
CRIMINAL PROPERTY FORFEITURE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31

	2016	2015
Operating Activities		
Cash received from:		
Forfeitures	$ 635,853	$ 1,059,334
Interest	16,229	12,572
	652,082	1,071,906
Cash paid for:		
Grants	1,345,440	100,000
Insurance premiums	-	3,870
Professional Fees	13,764	63,353
Towing and storage	3,945	7,129
Utilities	-	825
	1,363,149	175,177
Increase in cash and cash equivalents	(711,067)	896,729
Due from General Revenue Fund, beginning of year	2,327,236	1,430,507
Due from General Revenue Fund, end of year	$ 1,616,169	$ 2,327,236

(See accompanying notes to the financial statements)

MINISTRY OF JUSTICE
CRIMINAL PROPERTY FORFEITURE FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. Legislative Authority and Purpose

The Criminal Property Forfeiture Fund (Fund) was established under section 30(1) of *The Seizure of Criminal Property Act, 2009* (Act). The Fund receives all revenue related to the sale of property that has been forfeited to the Crown pursuant to subsection 27(2) of the Act and pays for costs related to bringing applications for forfeiture, managing and selling forfeited assets, and the Fund administration. Also, at the direction of the Minister responsible for the Act and the Minister responsible for *The Police Act, 1990*, money in the Fund may be used, on an equal basis, for police operations and the Victims' Fund, established by *The Victims of Crime Act* and continues under the authority of *The Victims of Crime Act, 1995*.

The Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the Canadian public sector accounting standards. The Fund maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board of CPA Canada, the Fund is classified as an other government organization. Accordingly, these financial statements have been prepared in accordance with Canadian public sector accounting (PSA) standards, as published by CPA Canada. The following accounting policies are considered significant.

(a) Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

(b) Revenue Recognition

Forfeiture and other sources of revenue are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Although forfeiture orders may be granted by the courts, the respondents do have the ability to appeal the decision. Revenue is recorded when there is significant assurance that the Fund will receive the proceeds.

(c) Grant expense

Grant expenses are recorded when grants have been approved and recipients have met the eligibility criteria, if any.

(d) Use of estimates

These financial statements are prepared in accordance with Canadian public sector accounting standards. These standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates due to appeals and liens against the forfeiture. Differences are reflected in the period when they are identified.

(e) Remeasurement gains and losses

The Fund has no transactions that would result in measurement gains and losses therefore a statement of measurement gains and losses has not been prepared.

3. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

Interest earned is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's 30 day borrowing rate and the Fund's average daily bank account balance. The Government's average 30 day borrowing rate in 2016 was 0.60% (2015 - 0.92%).

4. Accounts Receivable

Amounts due to the Fund consist of the following:

	2016	2015
Forfeitures	$ 473,952	$ 94,087
Interest	3,808	4,576
	477,760	98,663

5. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Some transactions with related parties are disclosed elsewhere in these notes.

During the year, the Fund received certain administrative services from the Ministry of Justice and the Ministry of Finance without charge. In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, use of certain tangible capital assets and certain administrative costs. These costs have been absorbed by various ministerial appropriations and therefore no provision for such costs is reflected in these financial statements.

6. Financial Instruments

The Fund's financial instruments consist of Due from General Revenue Fund, Accounts Receivable and Accounts Payable. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The carrying value of these instruments approximates fair value due to their immediate or short term nature.

7. Budget

The budget for the Fund for the year ended March 31, 2016 was approved by Treasury Board.